

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water and  
wastewater rates in Lake County by Lake  
Utility Services, Inc.

DOCKET NO. 070693-WS  
ORDER NO. PSC-08-0308-PCO-WS  
ISSUED: May 12, 2008

The following Commissioners participated in the disposition of this matter:

MATTHEW M. CARTER II, Chairman  
LISA POLAK EDGAR  
KATRINA J. McMURRIAN  
NANCY ARGENZIANO  
NATHAN A. SKOP

ORDER SUSPENDING PROPOSED FINAL RATES AND  
GRANTING INTERIM RATES SUBJECT TO REFUND

BY THE COMMISSION:

BACKGROUND

Lake Utilities Services, Inc. (LUSI or Utility) is a Class A utility providing water and wastewater service to approximately 8,659 water and 2,860 wastewater customers in Lake County. Water and wastewater rate bases were last established for this Utility in its 2002 earnings investigation.<sup>1</sup>

On February 18, 2008, LUSI filed the application for rate increase at issue in this docket. The Utility requested that the application be processed using the Proposed Agency Action (PAA) procedure and requested interim rates. The test year established for interim and final rates is the 13-month average period ending June 30, 2007 and June 30, 2009, respectively.

LUSI requested interim rates designed to generate annual water revenues of \$3,977,012 and wastewater revenues of \$2,008,683. This represents a revenue increase on an annual basis of \$1,023,406 (34.65%) for water and \$1,123,530 (126.93%) for wastewater. The Utility requested final rates designed to generate annual water revenues of \$5,771,006 and wastewater revenues of \$2,761,762. This represents a revenue increase of \$2,817,400 (95.39%) for water and \$1,876,609 (212.01%) for wastewater.

The original 60-day statutory deadline for us to suspend the Utility's requested final rates was April 18, 2008. However, by letter dated March 19, 2008, the Utility agreed to extend the statutory time frame by which we are required to address LUSI's interim rate request. We have jurisdiction pursuant to Sections 367.081 and 367.082, Florida Statutes (F.S.).

<sup>1</sup> Order No. PSC-04-0404-PAA-WS, issued April 19, 2004, in Docket No. 020567-WS, In re: Investigation of possible overearnings by Lake Groves Utilities, Inc. in Lake County.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

### SUSPENSION OF RATES

Section 367.081(6), F.S., provides that we may, for good cause, withhold consent to the implementation of the requested rates by a vote to that effect within 60 days after the date the rate request is filed. However, by letter dated March 19, 2008, the Utility agreed to extend the statutory time frame by which we are required to address LUSI's interim rate request. Furthermore, Section 367.081(8), F.S., permits the proposed rates to go into effect (secured and subject to refund) at the expiration of five months if: (1) we have not acted upon the requested rate increase; or (2) if the PAA action is protested by a party other than the Utility.

We have reviewed the filing and have considered the information filed in support of the rate application and the proposed final rates. It is necessary to require further investigation of this information, including on-site investigations by staff accountants and engineers. Based on the foregoing, we find it appropriate to suspend the Utility's proposed rate increase.

### INTERIM RATES

LUSI has filed rate base, cost of capital, and operating statements to support its requested interim water and wastewater increases. Pursuant to Section 367.082(5)(b)1, F.S., the achieved rate of return for interim purposes must be calculated by applying adjustments consistent with those used in the Utility's most recent rate proceeding and annualizing any rate changes. We have reviewed LUSI's interim request, as well as Order No. PSC-04-0404-PAA-WS, in which we last established rate base. Our adjustments are discussed below. Also attached are accounting schedules which illustrate the approved rate base, capital structure, and test year operating income amounts. The rate base schedules are labeled as Nos. 1-A and 1-B. The capital structure schedule is No. 2, and the operating income schedules for water and wastewater are labeled as Nos. 3-A and 3-B, respectively.

### RATE BASE

Based on an analysis of the MFRs and Order No. PSC-04-0404-PAA-WS from the Utility's last rate proceeding, several adjustments need to be made to the Utility's rate base. LUSI requested adjustments to Utility Plant to add the estimated cost of water and wastewater plant additions that were put in service by December 31, 2007 and the cost of reuse plant that will be completed in 2008, with the total adjustment to water in the amount of \$9,616,143 and the total adjustment to wastewater of \$7,629,553. LUSI also made adjustments to increase accumulated depreciation to December 31, 2008, for water in the amount of \$769,612 and for wastewater in the amount of \$310,687, corresponding with the adjustments to Utility Plant described above. The Utility made additional adjustments to Contributions in Aid of Construction (CIAC) to adjust the average CIAC to year-end December 31, 2007. The Utility's adjustments increase the amount of CIAC for water by \$434,188 and increase the amount of CIAC for wastewater by \$25,934. Finally, LUSI made adjustments to increase accumulated amortization of CIAC in the amounts of \$380,464 for water and \$178,615 for wastewater to adjust to year end as of December 31, 2007. Pursuant to Section 367.082(5)(b)(1), F.S., the achieved rate of return shall be calculated by applying appropriate adjustments consistent with the most recent individual rate proceeding of the Utility and annualizing any rate changes

occurring during the interim test year may be made. All the aforementioned rate base adjustments shall be considered pro forma adjustments as they fall outside the interim test year ending June 30, 2007, and therefore shall be excluded. We find that LUSI's interim water rate base shall be \$8,143,847. The Utility's wastewater rate base shall be \$2,729,211.

#### COST OF CAPITAL

On MFR Schedule D-2 (Interim), LUSI reflected a balance of \$81,053 for accumulated deferred income taxes (ADITs). According to MFR Schedule A-18, the Utility's 13-month average debit ADITs is (\$101,241) and the Utility's credit ADITs, shown on MFR Schedule A-19 is \$0. Rule 25-30.433(3)&(4), Florida Administrative Code (F.A.C.), states:

(3) Used and useful debit deferred taxes shall be offset against used and useful credit deferred taxes in the capital structure. Any resulting net debit deferred taxes shall be included as a separate line item in the rate base calculation. Any resulting net credit deferred taxes shall be included in the capital structure calculation. No other deferred debits shall be considered in rate base when the formula method of working capital is used.

(4) The averaging method used by the Commission to calculate rate base and cost of capital shall be a 13-month average for Class A utilities.

The reported ADIT on MFR Schedule A-18 of (\$101,241) is a result of netting the debit balances of ADITs against the credit balances of ADITs. The resulting balance should have been classified as a credit rather than a negative debit amount. Therefore, in accordance with Rule 25-30.433(3) and (4), F.A.C., the 13-month average net credit ADITs balance of \$101,241 is the appropriate amount to be included in the capital structure calculation, rather than the \$81,053 shown on Interim Schedule D-1.

By Order No. PSC-07-0006-PAA-WS, the Utility's minimum of the range of its last authorized ROE is 8.81%. Based on the above, the interim weighted average cost of capital is 7.34%.

#### NET OPERATING INCOME

On MFR Schedule B-3 (Interim), page 1 of 2, the Utility made adjustments to water and wastewater revenues of \$63,217 and \$14,337, respectively, to annualize revenues based on a Price Index increase effective August 31, 2007. Annualized revenue adjustments for interim purposes are to be based on the most current rates implemented during the interim test period, which in this case ended June 30, 2007. Applying the test year rates results in an annualized revenue adjustment to water of \$22,236 and an annualized revenue adjustment to wastewater of (\$831).

REVENUE REQUIREMENT

Based on the above adjustments, we find that the revenue requirements are \$3,087,696 for water and \$1,257,567 for wastewater. This represents interim increases in annual revenues of \$175,071 (or 6.01%) for water and \$387,582 (or 44.55%) for wastewater. This will allow the Utility the opportunity to recover its water and wastewater operating expenses and earn a 7.34% return on its water and wastewater rate bases.

INTERIM RATES

Therefore, the Utility shall be authorized to collect annual water and wastewater revenues as indicated below:

	<u>Adjusted Test Year Revenues</u>	<u>\$ Increase</u>	<u>Revenue Requirement</u>	<u>% Increase</u>
Water	\$2,912,625	\$175,071	\$3,087,696	6.01%
Wastewater	\$869,985	\$387,582	\$1,257,567	44.55%

Interim water and wastewater service rates for LUSI shall be designed to allow the Utility the opportunity to generate annual operating revenues of \$3,087,696 for water operations and \$1,257,567 for wastewater operations. Before removal of miscellaneous revenues, this would result in increases of \$175,071 or 6.01% for water and \$387,582 or 44.55% for wastewater. To determine the appropriate percentage increase to apply to the service rates, miscellaneous service revenues shall be removed from the test year revenues. The calculation is as follows:

		<u>Water</u>	<u>Wastewater</u>
1	Total Test Year Revenues	\$2,912,625	\$869,985
2	Less: Miscellaneous Revenues	39,572	8,837
3	Test Year Revenues from Service Rates	\$2,873,053	\$861,148
4	Revenue Increase	\$175,071	\$387,582
5	% Service Rate Increase (Line 4/Line3)	6.09%	45.01%

The interim rate increase of 6.09% for water and 45.01% for wastewater shall be applied as an across-the-board increase to the service rates in effect as of June 30, 2007. The approved rates shall be effective for service rendered as of the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. The rates shall not be implemented until it is verified that the tariff sheets are consistent with our decision, the proposed customer notice is adequate, and the required security has been filed. The Utility shall provide proof of the date notice was given within 10 days after the date of notice.

The Utility's test year, proposed interim and final rates, and the approved interim rates are shown on Schedule No. 4-A and No. 4-B for water and Schedule No. 4-C for wastewater.

SECURITY FOR REFUND

Pursuant to Section 367.082, F.S., revenues collected under interim rates shall be placed under bond, escrow, letter of credit, or corporate undertaking subject to refund with interest at a rate ordered by us. As approved by this order, the total annual interim increase is \$562,653 for water and wastewater. In accordance with Rule 25-30.360, F.A.C., the potential refund of revenues and interest collected under interim conditions is calculated to be \$330,964. This amount is based on an estimated seven months of revenue being collected from interim rates over the Utility's current authorized rates shown on Schedules Nos. 4A, 4B and 4C.

LUSI is a wholly-owned subsidiary of UI, which provides all investor capital to its subsidiaries. As such, we reviewed the financial statements of UI and the total requested cumulative corporate undertaking amount is \$330,964 subject to refund for this docket.

The criterion for a corporate undertaking includes sufficient liquidity, ownership equity, profitability, and interest coverage to guarantee any potential refund. We have reviewed UI's financial statements from 2004 to 2006 to determine the financial condition of the parent company. Our analysis shows that UI has experienced a significant decline in liquidity and interest coverage during 2005 compared to prior years. However, UI's average equity ratio over the three-year period has been 40%. UI's financial performance has demonstrated adequate levels of both profitability and equity capitalization to offset the recent decline in liquidity and interest coverage. Based upon this analysis, a cumulative corporate undertaking of \$330,964 is acceptable, contingent upon the receipt of the written guarantee of UI and written confirmation that UI does not have any outstanding guarantees on behalf of UI-owned utilities in other states.

Pursuant to Rule 25-30.360(6), F.A.C., the Utility shall provide a report by the 20th day of each month indicating the monthly and total revenue collected subject to refund. Should a refund be required, the refund shall be with interest and undertaken in accordance with Rule 25-30.360, F.A.C. In no instance shall maintenance and administrative costs associated with any refund be borne by the customers. The costs are the responsibility of, and should be borne by, the Utility.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the final water and wastewater rates proposed by Lake Utilities Services, Inc. are hereby suspended. It is further

ORDERED that the request for an interim rate increase for water and wastewater rates by Lake Utilities Services, Inc. is hereby granted, subject to our modifications, as set forth in the body of this Order. It is further

ORDERED that all matters contained in the schedules attached hereto are incorporated herein by reference. It is further

ORDERED that the approved interim rates shall be effective for service rendered as of the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1)(a), F.A.C. It is further

ORDERED that the interim rates shall not be implemented until Commission staff verifies that the tariff sheets are consistent with our decision, the proposed customer notice is adequate, and the required security has been filed. It is further

ORDERED that Lake Utilities Services, Inc. shall provide proof of the date notice was given within 10 days after the date of notice. It is further

ORDERED that Utilities, Inc., shall file a corporate undertaking on behalf of its subsidiaries to guarantee any potential refunds of revenues collected under interim conditions, as set forth in the body of this Order, contingent upon receipt of the written guarantee of Utilities, Inc. and written confirmation of UI's continued attestation that it does not have any outstanding guarantees on behalf of UI-owned utilities in other states, and in the cumulative amount of \$330,964, subject to refund in this docket. It is further

ORDERED that, pursuant to Rule 25-30.360(6), F.A.C., the utility shall provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund. It is further

ORDERED that, should a refund be required, the refund shall be with interest and undertaken in accordance with Rule 25-30.360, F.A.C. It is further

ORDERED that this docket shall remain open pending the Commission's final action on the utility's requested rate increase.

By ORDER of the Florida Public Service Commission this 12th day of May, 2008.



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ANN COLE  
Commission Clerk

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is non-final in nature, may request (1) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Citizens of the State of Florida v. Mayo, 316 So.2d 262 (Fla. 1975), states that an order on interim rates is not final or reviewable until a final order is issued. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

Lake Utilities Services, Inc. Schedule of Water Rate Base Test Year Ended 6/30/07				Schedule No. 1-A Docket No. 070693-WS Interim	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Approved Adjust- ments	Approved Adjusted Test Year
1 Plant in Service	\$23,323,348	\$9,711,034	\$33,034,382	(\$9,616,143)	\$23,418,239
2 Land and Land Rights	116,158	(989)	115,169	0	115,169
3 Construction Work in Progress	4,297,201	(4,297,201)			0
4 Accumulated Depreciation	(3,083,556)	(745,292)	(3,828,848)	769,612	(3,059,236)
5 CIAC	(14,771,966)	(434,188)	(15,206,154)	434,188	(14,771,966)
6 Amortization of CIAC	2,252,109	397,112	2,649,221	(380,464)	2,268,757
7 Advances For Construction	(38,400)		(38,400)		(38,400)
8 Working Capital Allowance	<u>0</u>	<u>211,284</u>	<u>211,284</u>	<u>0</u>	<u>211,284</u>
9 Rate Base	<u>\$12,094,894</u>	<u>\$4,841,760</u>	<u>\$16,936,654</u>	<u>(\$8,792,807)</u>	<u>\$8,143,847</u>



Lake Utility Services, Inc. Schedule of Wastewater Rate Base Test Year Ended 6/30/07			Schedule No. 1-B Docket No. 070693-WS Interim		
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Approved Adjust- ments	Approved Adjusted Test Year
1 Plant in Service	\$8,469,253	\$7,823,358	\$16,292,611	\$(7,629,553)	\$8,663,058
2 Land and Land Rights	838,852	5,329	844,181	0	844,181
3 Accumulated Depreciation	(1,738,773)	(462,434)	(2,201,207)	310,687	(1,890,520)
4 CIAC	(6,183,118)	159,015	(6,024,103)	25,934	(5,998,169)
5 Amortization of CIAC	922,777	296,464	1,219,241	(178,615)	1,040,626
6 Working Capital Allowance	<u>0</u>	<u>70,035</u>	<u>70,035</u>	<u>0</u>	<u>70,035</u>
8 Rate Base	<u>\$2,308,991</u>	<u>\$7,891,767</u>	<u>\$10,200,758</u>	<u>\$(7,471,547)</u>	<u>\$2,729,211</u>

Description	Total Capital	Specific Adjustments	Subtotal Adjusted Capital	Prorata Adjustments	Capital Reconciled to Rate Base	Ratio	Cost Rate	Weighted Cost	
Per Utility									
1 Long-term Debt	\$173,636,576	\$0	\$173,636,576	(\$158,358,666)	\$15,277,912	56.30%	6.63%	3.73%	
2 Short-term Debt	5,439,769	0	5,439,769	(4,959,821)	479,948	1.77%	1.53%	0.03%	
3 Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%	
4 Common Equity	125,643,139	0	125,643,139	(114,588,237)	11,054,902	40.74%	8.81%	3.59%	
5 Customer Deposits	243,594	0	243,594	0	243,594	0.90%	6.00%	0.05%	
6 Deferred Income Taxes	<u>81,053</u>	<u>0</u>	<u>81,053</u>	<u>0</u>	<u>81,053</u>	<u>0.30%</u>	0.00%	<u>0.00%</u>	
7 Total Capital	<u>\$305,044,133</u>	<u>\$0</u>	<u>\$305,044,133</u>	<u>(\$277,906,724)</u>	<u>\$27,137,409</u>	<u>100.00%</u>		<u>7.40%</u>	
Per Staff									
8 Long-term Debt	\$173,636,576	\$0	\$173,636,576	(\$167,637,340)	\$5,999,238	55.18%	6.63%	3.66%	
9 Short-term Debt	5,439,769	0	5,439,769	(5,251,822)	187,947	1.73%	1.53%	0.03%	
10 Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%	
11 Common Equity	125,643,139	0	125,643,139	(121,302,101)	4,341,038	39.92%	8.81%	3.52%	
12 Customer Deposits	243,594	0	243,594	0	243,594	2.24%	6.00%	0.13%	
13 Deferred Income Taxes	<u>81,053</u>	<u>20,188</u>	<u>101,241</u>	<u>0</u>	<u>101,241</u>	<u>0.93%</u>	0.00%	<u>0.00%</u>	
14 Total Capital	<u>\$305,044,133</u>	<u>\$20,188</u>	<u>\$305,064,321</u>	<u>(\$294,191,263)</u>	<u>\$10,873,058</u>	<u>100.00%</u>		<u>7.34%</u>	
						<u>LOW</u>	<u>HIGH</u>		
RETURN ON EQUITY						<u>8.81%</u>	<u>10.81%</u>		
OVERALL RATE OF RETURN						<u>7.34%</u>	<u>8.13%</u>		

Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Approved Adjust- ments	Approved Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$2,890,389</u>	<u>\$1,086,623</u>	<u>\$3,977,012</u>	<u>(\$1,064,387)</u>	<u>\$2,912,625</u>	<u>\$175,071</u>	<u>\$3,087,696</u>
						6.01%	
Operating Expenses							
2 Operation & Maintenance	\$1,800,251	(\$311,066)	\$1,489,185	0	\$1,489,185		\$1,489,185
3 Depreciation	378,072	(28,908)	349,164	0	349,164		349,164
4 Amortization	0	0	0	0	0		0
5 Taxes Other Than Income	643,696	(124,616)	519,080	(47,897)	471,183	7,878	479,061
6 Income Taxes	<u>4,429</u>	<u>362,199</u>	<u>366,628</u>	<u>(256,718)</u>	<u>109,910</u>	<u>62,915</u>	<u>172,825</u>
7 Total Operating Expense	<u>\$2,826,448</u>	<u>(\$102,391)</u>	<u>\$2,724,057</u>	<u>(\$304,615)</u>	<u>\$2,419,442</u>	<u>\$70,793</u>	<u>\$2,490,235</u>
8 Operating Income	<u>\$63,941</u>	<u>\$1,189,014</u>	<u>\$1,252,955</u>	<u>(\$759,772)</u>	<u>\$493,183</u>	<u>\$104,278</u>	<u>\$597,462</u>
9 Rate Base	<u>\$12,094,894</u>		<u>\$16,936,653</u>		<u>\$8,143,847</u>		<u>\$8,143,847</u>
10 Rate of Return	<u>0.53%</u>		<u>7.40%</u>		<u>6.06%</u>		<u>7.34%</u>

Lake Utility Services, Inc Statement of Wastewater Operations Test Year Ended 06/30/07						Schedule No. 3-B Docket No. 070693-WS Interim	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Approved Adjust- ments	Approved Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$870,616</u>	<u>\$1,137,867</u>	<u>\$2,008,683</u>	<u>(\$1,138,698)</u>	<u>\$869,985</u>	<u>\$387,582</u>	<u>\$1,257,567</u>
						44.55%	
Operating Expenses							
2 Operation & Maintenance	\$329,951	\$298,499	\$628,450	0	\$628,450		\$628,450
3 Depreciation	89,696	104,496	194,182	0	194,182		194,182
4 Amortization	0	0	0	0	0		0
5 Taxes Other Than Income	0	210,593	210,593	(51,241)	159,352	17,441	176,793
6 Income Taxes	<u>29,228</u>	<u>191,588</u>	<u>220,816</u>	<u>(302,182)</u>	<u>(81,366)</u>	<u>139,284</u>	<u>57,918</u>
7 Total Operating Expense	<u>\$448,875</u>	<u>\$805,166</u>	<u>\$1,254,041</u>	<u>(\$353,424)</u>	<u>\$900,617</u>	<u>\$156,725</u>	<u>\$1,057,343</u>
8 Operating Income	<u>\$421,941</u>	<u>\$332,701</u>	<u>\$754,642</u>	<u>(\$785,274)</u>	<u>(\$30,632)</u>	<u>\$230,857</u>	<u>\$200,225</u>
9 Rate Base	<u>\$2,308,991</u>		<u>\$10,200,758</u>		<u>\$2,729,211</u>		<u>\$2,729,211</u>
10 Rate of Return	<u>18.27%</u>		<u>7.40%</u>		<u>(1.12%)</u>		<u>7.34%</u>

Lake Utility Services, Inc. - Excluding Lake Groves		Schedule No. 4-A		
Water Service Rates – Bi-Monthly		Docket No. 070693-WS		
Test Year Ended 06/30/07		Interim		
Bi-Monthly Rates	Rates Prior to Filing	Utility Requested Interim	Utility Requested Final	Approved Interim
<u>Residential</u>				
Base Facility Charge by Meter Size:				
5/8" x 3/4" - Residential	\$12.48	\$17.08	\$22.00	\$13.24
5/8" x 3/4" – Irrigation	\$12.48	\$17.08	\$22.00	\$13.24
1" - irrigation	\$31.20	\$42.69	\$55.00	\$33.10
1"	\$31.20	\$42.69	\$55.00	\$33.10
1-1/2"	\$62.38	\$85.36	\$110.00	\$66.18
2"	\$99.78	\$136.54	\$176.00	\$105.86
3"	\$187.08	\$256.03	\$352.00	\$198.47
4"	\$311.82	\$426.73	\$550.00	\$330.81
6"	\$725.52	\$992.90	\$1,100.00	\$769.70
Gallage Charge, Per 1,000 Gallons	\$0.72	\$ .99		\$0.76
Up to 10,000 gallons			\$1.30	
Over 10,000 gallons			\$2.00	
<u>General Service</u>				
Base Facility Charge by Meter Size:				
5/8" – General Service	\$12.48	\$17.08	\$22.00	\$13.24
5/8" - Irrigation	\$12.48	\$17.08	\$22.00	\$13.24
1" – General Service	\$31.20	\$42.69	\$55.00	\$33.10
1" - Irrigation	\$31.20	\$42.69	\$55.00	\$33.10
1 1/2" – Irrigation	\$62.38	\$85.36	\$110.00	\$66.18
1 1/2" – General Service	\$62.38	\$85.36	\$110.00	\$66.18
2" General Service	\$99.78	\$136.54	\$176.00	\$105.86
2" Irrigation	\$99.78	\$136.54	\$176.00	\$105.86
3"	\$187.08	\$256.03	\$352.00	\$198.47
4"	\$311.82	\$426.73	\$550.00	\$330.81
6"	\$725.52	\$992.90	\$1,100.00	\$769.70
<u>Typical Residential Bills 5/8" x 3/4" Meter – Bi-Monthly</u>				
3,000 Gallons	\$14.64	\$20.05	\$25.90	\$15.52
5,000 Gallons	\$16.08	\$22.03	\$28.50	\$17.04
Over 10,000 Gallons	\$19.68	\$26.98	\$42.00	\$20.84

Lake Utility Services, Inc. - Lake Groves Water Monthly Service Rates Test Year Ended 06/30/07			Schedule No. 4-B Docket No. 070693-WS Interim	
	Rates Prior to Filing	Utility Requested Interim	Utility Requested Final	Approved Interim
<b>Residential</b>				
<b>Base Facility Charge by Meter Size:</b>				
5/8" x 3/4" - Residential	\$12.57	\$17.20	\$11.00	\$13.33
1"	\$31.42	\$43.01	\$27.50	\$33.33
1-1/2"	\$62.84	\$86.00	\$55.00	\$66.67
2"	\$100.54	\$137.60	\$88.00	\$106.66
3"	\$201.07	\$275.17	\$176.00	\$213.31
4"	\$314.18	\$429.96	\$275.00	\$333.31
Gallonage Charge, per 1,000 Gallons	\$1.25	\$1.72		\$1.33
Up to 10,000 Gallons			\$1.30	
Over 10,000 Gallons			\$2.00	
<b><u>General Service</u></b>				
<b>Base Facility Charge by Meter Size:</b>				
5/8" – General Service	\$12.57	\$17.20	\$11.00	\$13.33
5/8" - Irrigation	\$12.57	\$17.20	\$11.00	\$13.33
1" – General Service	\$31.42	\$43.01	\$27.50	\$33.33
1" - Irrigation	\$31.42	\$43.01	\$27.50	\$33.33
1 1/2" – Irrigation	\$62.84	\$86.00	\$55.00	\$66.67
1 1/2" – General Service	\$62.84	\$86.00	\$55.00	\$66.67
2" General Service	\$100.54	\$137.60	\$88.00	\$106.66
2" Irrigation	\$100.54	\$137.60	\$88.00	\$106.66
3" – General Service	\$201.07	\$275.17	\$176.00	\$213.31
4" - Irrigation	\$314.18	\$429.96	\$275.00	\$333.31
Over 4" - General Service	\$314.18	\$429.96	\$550.00	\$333.31
<b><u>Typical Residential Bills 5/8" x 3/4" Meter</u></b>				
3,000 Gallons	\$16.32	\$22.36	\$14.90	\$17.32
5,000 Gallons	\$18.82	\$25.80	\$17.50	\$19.98
Over 10,000 Gallons	\$25.07	\$34.40	\$31.00	\$26.63

Lake Utility Services, Inc. Wastewater Monthly Service Rates Test Year Ended 06/30/07		SCHEDULE NO. 4-C Docket No. 070693-WS Interim		
	Rates Prior to Filing	Utility Requested Interim	Utility Requested Final	Approved Interim
<u>Residential</u>				
Base Facility Charge by Meter Size:				
5/8" x 3/4"	\$15.72	\$36.49	\$45.00	\$22.79
1"	\$15.72	\$36.49	\$45.00	\$22.79
1-1/2"	\$15.72	\$36.49	\$45.00	\$22.79
2"	\$15.72	\$36.49	\$45.00	\$22.79
All Sizes - Residential	\$15.72	\$36.49	\$45.00	\$22.79
<u>General Service</u>				
5/8" x 3/4"	\$15.72	\$36.49	\$45.00	\$22.79
1"	\$39.32	\$91.28	\$112.50	\$57.02
1-1/2"	\$78.62	\$182.50	\$225.00	\$114.01
2"	\$125.79	\$291.99	\$360.00	\$182.41
3"	\$251.58	\$584.01	\$720.00	\$364.82
4"	\$393.12	\$912.57	\$1,125.00	\$570.06
Over 4" General Services	\$393.12	\$912.57	\$2,250.00	\$570.06
Gallonge Charge, per 1,000 Gallons				
Residential (10,000 gallon max)	\$1.08	\$2.51	\$2.60	\$1.57
General Service	\$1.36	\$3.15	\$3.50	\$1.97
<u>Reclaimed Water</u>				
Base Facility Charge			\$3.65	
Gallonge Charge			\$0.60	
<u>Typical Residential Bills 5/8" x 3/4" Meter</u>				
3,000 Gallons	\$18.96	\$44.02	\$52.80	\$27.50
5,000 Gallons	\$21.12	\$49.04	\$58.00	\$30.64
10,000 Gallons	\$26.52	\$61.59	\$71.00	\$38.49
(Wastewater Gallonge Cap - 10,000 Gallons)				